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FEDERAL-STATE JOINT BOARD STAFF RELEASES MONITORING REPORT

Comprehensive Report Tracks Trends Related to Universal Service

Washington, D.C. – The staff of the Federal-State Joint Board on universal service has released its most recent Monitoring Report on Universal Service. This report reflects information on the telephone industry filed with the Federal Communications Commission (FCC) through April 30, 2002.

The report released today addresses the various universal service support mechanisms, which amounted to about \$5 billion in 2001. The report presents current data in eleven categories:

- 1) Industry revenues and contributions – Total industry revenues for telecommunications services provided to end users in 2001 were about \$234 billion, compared to about \$229 billion in 2000. Revenues for fixed local service providers remained virtually the same at \$91 billion, while for wireless service providers they increased from \$57 to \$68 billion, and for toll service providers they decreased from \$81 to \$75 billion, 56.7% of the support mechanism disbursements in 2001 were for high-cost support, 30.6% were for schools and libraries support, 12.6% were for low-income support, and 0.1% were for rural health care support.
- 2) Low-income support – Total low-income support increased from about \$519 million in 2000 to about \$584 million in 2001.
- 3) High-cost support – In 2001, total high-cost support amounted to over \$2.6 billion, an increase from nearly \$2.3 billion in 2000. This increase is primarily due to the implementation of the new interstate access support mechanism, which began in July 2000.
- 4) Schools and libraries support – Schools and libraries are making substantial use of their available support, with commitments as of February 2002 totaling about \$1.8 billion for the fourth year of the program (July 2001 - June 2002).
- 5) Rural health care support – The demand for rural health care support has remained at a modest level, with commitments of less than \$11 million for the third year of the program (July 2000 - June 2001).
- 6) Subscriberhip and penetration – The percentage of households subscribing to telephone service reached an all-time high average of 94.9% in 2001.

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- 7) Rates and price indices – The price index of overall telephone rates increased 1.3% in 2001 (compared to the general rate of inflation of 2.0% for all goods and services).
- 8) Network usage and growth – Total telephone usage grew steadily through 2000. In 2000 there were nearly 5 trillion minutes of use, an increase of 13% from the previous year. Local calls grew by 16% in 2000, compared to a 5% increase in toll calls (both intrastate and interstate).
- 9) Quality of service – The data show noticeable differences in the quality of service among carriers. For example, complaints per million residential access lines in 2001 varied from 31 for SBC Pacific Telesis to 587 for SBC Ameritech.
- 10) Infrastructure – The most rapid growth of infrastructure has been for fiber digital carrier terminations (working channels grew from over 42 million in 2000 to nearly 74 million in 2001).
- 11) Revenues, expenses and investment – For the larger local exchange carriers in 2001, 39% of net income was interstate, 30% of revenues was interstate, and 27% of expenses was interstate

A monitoring program was established in the mid-1980's, at the recommendation of the Separations Joint Board, to track trends related to universal service and related matters. Since then, Joint Board staffs have prepared Monitoring Reports at least once a year -- a compendium of hundreds of pages of statistical data on subscribership and penetration, loop costs, separations factors, universal service fund payments, etc. The report is unique in that it is the only document that includes information on every incumbent local telephone company in the nation. In 1998 the publication of this report was moved from the Separations Joint Board staff to the Universal Service Joint Board staff. This is the sixth Monitoring Report from the Universal Service Joint Board staff.

The full text of this document is available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals 11,445 12th Street, SW, Room CY-A257, Washington, DC 20554. This document may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail at <qualexint@aol.com>. The report may also be downloaded from the FCC-State Link Internet site, which can be reached at <www.fcc.gov/wcb/iatd/stats.html>. It is available in both page image (.pdf) format and in a compressed (.zip) format, which, when unzipped yields text and spreadsheet files.

-FCC-

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CC Docket No. 98-202

UNIVERSAL SERVICE
MONITORING REPORT
CC DOCKET No. 98-202

OCTOBER 2002
(Data Received Through April 2002)

Prepared by Federal and State Staff for the

Federal-State Joint Board on Universal Service in

CC Docket No. 96-45

This report is available for reference in the FCC's Reference Information Center, Courtyard Level, **445** 12th Street SW, Washington, DC **20554**. Call Qualex International at (202) **863-2893** to purchase a copy. The report can **also be** downloaded from the **FCC-State Link** internet site at <www.fcc.gov/wcb/jatd/stats.html>. It is available in print image (pdf) files and compressed (zip) files in word processor (MS Word) and spreadsheet (MS **Excel** or *Lotus 123*.wk4) formats.

Table of Contents

Index of Tables and Charts	2 to 5
Introduction and Summary	6 to 8
Service List	9 to 12
1. Industry Revenues and Contributions	1-1 to 1-57
2. Low-Income Support	2-1 to 2-75
3. High-Cost Support	3-1 to 3-317
4. Schools and Libraries Support	4-1 to 4-16
5. Rural Health Care Support	5-1 to 5-11
6. Subscribership and Penetration	6-1 to 6-81
7. Rates and Price Indices	7-1 to 7-36
8. Network Usage and Growth	8-1 to 8-140
9. Quality of Service	9-1 to 9-14
10. Infrastructure	10-1 to 10-20
11. Revenues, Expenses and Investment.....	11-1 to 11-28

Index of Tables and Charts

Access Charges - Interstate - Per Line	Table 7.14
Access Charges - Interstate - Per Line - by Carrier	Table 7.16
Access Charges - Interstate - Per Minute	Table 7.15
Access Charges - Interstate - Per Minute - by Carrier	Table 7.17
Carrier Telecommunications Revenues by Type of Service	Table 1.9
Changes in Local Exchange Carriers	Table 3.38
Consumer Price Indices - Levels	Chart 7.1
Consumer Price Indices - Annual Changes	Chart 7.2
Consumer Price Indices - Annual Changes - Telephone Components	Chart 7.3
Consumer Price Indices - Average Annual Rates of Change	Table 7.1
Consumer Price Indices - Monthly	Table 7.4
Consumer Price Indices - Monthly - New	Table 7.5
Contribution Base Revenues by Program	Table 1.4
Customer Perception Surveys - Percentage of Customers Dissatisfied	Table 9.4
Customer Perception Surveys - Sample Sizes	Table 9.5
Expenses and Taxes	Table 11.2
Expenses - Total Operating	Table 11.9
Factors - Interstate DEM - Unweighted	Table 8.11
Factors - Interstate DEM - Weighted	Table 8.12
General Information	Table 1.17
High-Cost Loop Support - 1999 Data - by Jurisdiction	Table 3.20
High-Cost Loop Support - 1999 Data - by Study Area	Table 3.32
High-Cost Loop Support - Percentage Changes - by Jurisdiction	Table 3.21
High-Cost Loop Support - Percentage Changes - by Study Area	Table 3.33
High-Cost Loop Payment Formulas	Table 3.2
High-Cost Loop Payment History	Table 3.3
High-Cost Loop Payment Projections - by Jurisdiction	Table 3.8
High-Cost Loop Payment Projections - by Study Area	Table 3.26
High-Cost Loop Payments - by Jurisdiction	Table 3.25
High-Cost Loop Payments - by Study Area	Table 3.37
High-Cost Loop Support Mechanism – Net Dollar Flow by State	Table 3.14
High-Cost Model Support Mechanism – Net Dollar Flow by State	Table 3.17
High-Cost Model Support Payment Projections - Non-Rural by Jurisdiction	Table 3.12
High-Cost Programs Fund Size Projections	Table 3.1
High-Cost Support Payment Projections - Non-Rural by Study Area	Table 3.30
High-Cost Support Payment Projections - Total by Jurisdiction	Table 3.13
High-Cost Support Payment Projections - Total by Study Area	Table 3.31
High-Cost Support Mechanisms – Net Dollar Flow by State	Table 3.19
Income - Net	Table 11.5
Information for Allocating CLEC Revenues	Table 1.19
Information for Allocating Incumbent Local Exchange Revenues	Table 1.18
Information for Allocating Interstate Access Revenues	Table 1.22
Information for Allocating Interstate Toll Revenues	Table 1.26
Information for Allocating Intrastate Access Revenues	Table 1.23
Information for Allocating LEC Intrastate Toll Revenues	Table 1.24
Information for Allocating Mobile Wireless Revenues	Table 1.20
Information for Allocating Non-LEC Intrastate Toll Revenues	Table 1.25

Index of Tables and Charts

Information for Allocating SLC Revenues	Table 1.21
Installation, Maintenance, and Customer Complaints	Table 9.1
Interstate Access Support Mechanism – Net Dollar Flow by State	Table 3.18
Interstate Access Support - Payment Projections - by Jurisdiction	Table 3.11
Interstate Access Support - Payment Projections - by Study Area	Table 3.29
Investment - Average Net	Table 11.6
Investment - Gross	Table 11.3
Investment - Other	Table 11.13
Investment - Plant	Table 11.12
Investment - Reserves	Table 11.4
Lifeline Assistance - Payments - by State	Table 2.7
Lifeline Assistance - Payments - by Study Area	Table 2.8
Lifeline Assistance - Subscribers - by State	Table 2.5
Lifeline Assistance - Subscribers - Tribal and Non-Tribal - by State	Table 2.6
Lifeline Monthly Support - by State	Table 2.1
Lines - Total	Table 8.4
Line Usage per Day	Table 8.5
Linkup Assistance - Participants - by State	Table 2.9
Linkup Assistance - Participants - Tribal and Non-Tribal - by State	Table 2.10
Linkup Assistance - Payments - by State	Table 2.11
Linkup Assistance - Payments - by Study Area	Table 2.12
Local Switching Support Mechanism – Net Dollar Flow by State	Table 3.16
Local Switching Support - Payment History	Table 3.7
Local Switching Support - Payment Projections - by Jurisdiction	Table 3.10
Local Switching Support - Payment Projections - by Study Area	Table 3.28
Long-Term Support Mechanism – Net Dollar Flow by State	Table 3.15
Long-Term Support - Payment History	Table 3.6
Long-Term Support - Payment Projections - by Jurisdiction	Table 3.9
Long-Term Support - Payment Projections - by Study Area	Table 3.27
Loops - by Jurisdiction	Table 3.23
Loops - by Study Area	Table 3.35
Low-Income Program Dollars by State	Table 2.2
Low-Income Program Dollars by Study Area	Table 2.3
Low-Income Programs Fund Size Projections	Table 2.4
Low-Income Support Programs – Net Dollar Flow by State	Table 2.13
Minutes - Dial Equipment - Interstate	Table 8.9
Minutes - Dial Equipment -Local	Table 8.7
Minutes - Dial Equipment - State Toll	Table 8.8
Minutes - Dial Equipment - Summary	Table 8.3
Minutes - Dial Equipment - Total	Table 8.10
Minutes of Use - Interstate Access – by Study Area	Table 8.6
Minutes of Use - Interstate Access – by Tier	Table 8.1
Minutes of Use - Interstate Access – Total	Table 8.2
Non-Operating Items - Total	Table 11.10
Other Operating Income or Loss	Table 11.8
Penetration - Households	Chart 6.1
Penetration - Individual Adults	Chart 6.8

Index of Tables and Charts

Penetration by Household Size	Table 6.8
Penetration by Household Size - Critical Values	Table 6.14
Penetration by Household Size - Chart	Chart 6.5
Penetration by Householder's Age	Table 6.9
Penetration by Householder's Age - Critical Values	Table 6.15
Penetration by Householder's Age - Chart	Chart 6.6
Penetration by Income	Table 6.7
Penetration by Income - Chart	Chart 6.4
Penetration by Income - Adjusted for Inflation	Chart 6.9
Penetration by Income by State - Adjusted for Inflation	Table 6.11
Penetration by Income by State - Sample Sizes	Table 6.17
Penetration by Income - Critical Values	Table 6.13
Penetration by Labor Force Status	Table 6.10
Penetration by Labor Force Status - Critical Values	Table 6.16
Penetration by Labor Force Status - Chart	Chart 6.7
Penetration by Lifeline Assistance Level	Table 6.4
Penetration by Lifeline Assistance Status	Table 6.3
Penetration by State	Table 6.6
Penetration by State - Changes	Table 6.2
Penetration by State - Changes - Map	Chart 6.3
Penetration by State - Comparison by Level of Lifeline Assistance	Table 6.5
Penetration by State - Critical Values	Table 6.12
Penetration by State - Map	Chart 6.2
Pool - NECA - Common Line	Table 3.4
Pool - NECA - Traffic Sensitive	Table 3.5
Price Indices - Annual Changes	Table 7.2
Price Indices - Local and Toll Services - Annual Changes	Table 7.3
Producer Price Indices	Table 7.6
Rates - Interstate Toll - Business	Table 7.12
Rates - Interstate Toll - Residential	Table 7.11
Rates - Local Business - Key System	Table 7.9
Rates - Local Business - PBX	Table 7.10
Rates - Local Business - Single Line	Table 7.8
Rates - Local Residential	Table 7.7
Revenue per Minute - Average	Table 7.13
Revenues and Other Operating Items	Table 11.1
Revenues by Type of Carrier	Table 1.8
Revenues from Telecommunications Service Provided for Resale	Table 1.5
Revenues from Telecommunications Service Provided to End Users	Table 1.6
Revenues - Total	Table 1.7
Revenues - Total Operating	Table 11.7
Rural Health Care Funding Commitments by State	Table 5.1
Rural Health Care - Net Dollar Flow by State	Table 5.3
Rural Health Care - Service Speeds Acquired	Table 5.2
Schools and Libraries Disbursements by Service Provider Type	Table 4.3
Schools and Libraries Commitments & Disbursements by State & Applicant Type	Table 4.1
Schools and Libraries Commitments & Disbursements by State & Service Type	Table 4.2

Index of Tables and Charts

Schools and Libraries Commitments & Disbursements per Student by State	Table 4.4
Schools and Libraries Mechanism _Net Dollar Flow by State	Table 4.5
State Code Reference	Table 8.13
Subscribership - United States	Table 6.1
Switch Downtime and Trunk Blocking	Table 9.2
Switch Downtime Causes	Table 9.3
Switching Systems	Table 10.1
Taxes	Table 11.11
Telecommunications Industry Revenues by Service	Table 1.2
Telecommunications Industry Revenues - Total	Table 1.1
Telecommunications Revenues by Type of Carrier	Table 1.3
Telecommunications Revenues – Interstate	Table 1.16
Telecommunications Revenues – Intrastate	Table 1.15
Telecommunications Revenues – Total – by State	Table 1.13
Telecommunications Revenues Used to Allocate Revenues by State	Table 1.14
Transmission Systems	Table 10.2
Universal Service Program Requirements and Fund Factors	Table 1.10
Universal Service Support - Distribution of Disbursements	Chart 1.1
Universal Service Support Mechanisms	Table 1.11
Universal Service Support Mechanisms - by State	Table 1.12
Unseparated Non-Traffic Sensitive Revenue Requirement - by Jurisdiction	Table 3.22
Unseparated Non-Traffic Sensitive Revenue Requirement - by Study Area	Table 3.34
Unseparated NTS Revenue Requirement per Loop - by Jurisdiction	Table 3.24
Unseparated NTS Revenue Requirement per Loop - by Study Area	Table 3.36

Universal Service Monitoring Report

CC Docket No. 98-202

Summer 2002

Introduction and Summary

This is the sixth report in a series of reports prepared by federal and state staff members for the Federal-State Joint Board on Universal Service in CC Docket No. 96-45 (Universal Service Joint Board).¹ This report is based on information available to us as of April 30, 2002. These reports contain information designed to monitor the impact of various universal service support mechanisms, and the methods used to finance them. These mechanisms were adopted by the Federal Communications Commission (Commission), based on recommendations from the Universal Service Joint Board. These reports are part of a monitoring program created by the Commission in 1997² to replace a similar program in CC Docket No. 87-339 that resulted in a series of nineteen *Monitoring Reports*. The current program incorporates most of the information that was collected under the previous program, and also new materials from the reports of the administrator of the universal service support mechanisms, the Universal Service Administrative Company (USAC). To enhance our monitoring ability, we have created an open docket: which allows data, materials, comments, and studies to be submitted by any interested party at any time.

The monitoring program has proven to be valuable, not only as a report on the effects of the Commission's regulatory policies, but also as a complete census of all incumbent local exchange carriers. Because smaller carriers generally are exempt from most Commission reporting requirements, the *Monitoring Report* incorporates data from several sources, including the National Exchange Carrier Association (NECA) and USAC. USAC collects information from all eligible carriers to administer the universal service support mechanisms. NECA, at the direction of the Commission, collects information in order to administer the access charge pools and also provides information to USAC that is utilized in administering the Universal Service Fund. The *Monitoring Report*, therefore, contains the only available comprehensive data on all incumbent local exchange carriers, containing data on such matters as the number of telephone lines, calling volumes, and certain types of costs.

This report presents data for the eleven subject categories selected for monitoring. The first section provides information on the contributions to the universal service support mechanisms and industry revenues, on which those contributions are based. The next four sections provide information on the various support mechanisms: low-income support; high-cost support; schools and libraries support; and rural health care support. The remaining six sections provide information on matters that might be affected by the support mechanisms: subscribership and penetration; rates

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- 1 The last report was released on November 6, 2001. *Universal Service Monitoring Report*, CC Docket No. 98-202, October 2001 (Data Received Through April 2001), prepared by the Federal and State Staff for the Federal-State Joint Board on Universal Service in CC Docket No. 96-45.
 - 2 *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Report and Order*, FCC 97-157, para. 869 (released May 8, 1997).
 - 3 CC Docket No. 98-202.

and price indices; network usage and growth; quality of service; infrastructure; and revenues, expenses, and investment.

Henceforth the *Monitoring Report* will be published once a year and all tables will be published in every issue. The following are highlights of some of the material in this report. Section 1 provides an update on industry revenues and the universal service program requirements and contribution factors. Section 2 includes the latest data on the Lifeline and Linkup America programs. Section 3 includes the most recent projected payments for all of the high-cost support programs, based on the quarterly reports from USAC. It also includes information from the latest filing by NECA for the high-cost loop fund. Section 4 includes updated data on the schools and libraries support. Section 5 includes updated data on the rural health care support. Section 6 includes the most recent Census data on subscribership from the Current Population Survey. It also includes data on telephone penetration by income by state and a discussion of the impact of Lifeline programs on penetration. Section 7 includes updated Consumer Price Index and Producer Price Index data and other updated rate information. Section 8 includes the latest NECA data on access minutes, dial equipment minutes, and separations factors. Section 9 includes updated data on the quality of service from the Commission's Automated Reporting Management Information System (ARMIS) reports. Section 10 includes updated data on infrastructure from the ARMIS reports. Section 11 includes the latest information on revenues, expenses, and investment from the ARMIS reports.

This entire report is available electronically through the **FCC-State Link** Internet site, which can be reached at <www.fcc.gov/wcb/iatd/stats.html>. It is available in both page image (.pdf) format and in a compressed (.zip) format. which, when unzipped yields word processing and spreadsheet files. In addition, information received well in advance of the next *Monitoring Report* will be made available on an interim basis in separate staff reports or in raw data files (such as most NECA filings used in the *Monitoring Report*) on the **FCC-State Link** Internet site. In addition, the ARMIS data are available on the ARMIS Internet site, which can be reached at <www.fcc.gov/wcb/armis/db/>.

For ease of public reference, parties submitting materials for this docket should provide a duplicate copy to the FCC's Reference Information Center," where copies of all materials filed in the docket are available for public reference.

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1. Industry Revenues and Contributions

This section provides a general overview of the revenues of the U.S. telecommunications industry, and the contributions to the universal service support mechanisms that are based on these revenues.¹ Most of the data for 2000 are taken from filings of **annual** Telecommunications Reporting Worksheets (FCC Form 499-A) made with the Universal Service Administrative Company (USAC) on April 1, 2001.² Revenue data collected on these worksheets are utilized in the Commission's administration of the universal service fund (USF). Form 499-A data are also used for the Telecommunications Relay Service (TRS), North American Numbering Plan (NANP) and local number portability (LNP) programs, and used to calculate common carrier regulatory fees.³ Data presented for 2001 are taken from May 1, 2001, August 1, 2001, November 1, 2001, and February 1, 2002 filings with USAC of quarterly Telecommunications Reporting Worksheets (FCC Form 499-Q).

Revenue Information

Universal service requirements include several mechanisms that help ensure that all Americans have access to affordable telecommunications service. In section 254(d) of the Telecommunications Act of 1996,⁴ Congress mandated that "[e]very telecommunications carrier that provides interstate telecommunications services shall contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service." The Commission implemented this mandate in a 1997 **Report and Order**.⁵ The Commission subsequently selected USAC as the administrator. Telecommunications providers currently file FCC Form 499-A (Telecommunications Reporting

1 Portions of this section are based on Industry Analysis Division, Common Carrier Bureau, Federal Communications Commission, **Telecommunications Industry Revenues** 2000 (January 29, 2002).

2 These filings are subject to subsequent revisions and are not made available to the Federal Communications Commission until several months later, after most of those revisions are made.

3 Much of the information filed on FCC Form 499-A is proprietary. Publicly available information on individual carriers is contained in Industry Analysis Division, Common Carrier Bureau, Federal Communications Commission, **Telecommunications Provider Locator** (November 2001). See also <gullfoss2.fcc.gov/cib/form499/499a.cfm>.

4 Pub. L. No. 104-104, 110 Stat. 56 *codified* at 47 U.S.C. §§ 151 *et seq.*

5 *See Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776 (1997) (subsequent history omitted).

Worksheets, due each April) and FCC Form 499-Q (Telecommunications Reporting Worksheets, due one month after the close of each calendar quarter.)

Virtually all providers of telecommunications must file FCC Form 499-A each year.⁶ Telecommunications Reporting Worksheets are not filed directly with the FCC but rather with USAC, which serves as the data collection agent. The annual worksheets were due April 1, 2001, but some providers filed late or updated their filing after that date. Information from filings received after October 1, 2001 and from filings that were incomplete has been excluded from year 2000 data.⁷

FCC Form 499-A asks each filer to report total, interstate and international revenues in two broad categories: those billed to Universal Service contributors for resale (carrier's carrier revenues); and, those billed to *de minimis* telecommunications providers and end users (end-user revenues). Filers must provide further breakdowns of local, wireless, and toll services.⁸ The form also asks each filer to choose the communications business that best describes its operations:⁹

- Competitive Access Provider (CAP) or Competitive Local Exchange Carrier (CLEC)
- Cellular, Personal Communications Service (PCS) and Specialized Mobile Radio (SMR) Wireless Telephony Service Provider

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- 6 There are certain exceptions. Providers that offer telecommunications for a fee exclusively on a non-common carrier basis are not required to file if their total annual contribution to universal service would be less than \$10,000. Government entities that purchase telecommunications services in bulk on their own behalf, public safety and local government entities licensed under Subpart B of Part 90 of the Commission's rules, entities providing interstate telecommunications exclusively to government or public safety entities, broadcasters and various non-profit entities are not required to file. Finally, systems integrators that derive less than 5% of their systems integration revenues from the resale of telecommunications and entities that provide services only to themselves or to commonly owned affiliates need not file.
- 7 The information in Tables 1.1 through 1.8 use year 2000 data because 2001 data from Form 499-A were not yet available to us as of April 30, 2002, the cut-off date for information contained in this report.
- 8 Telecommunications providers are considered *de minimis* and thus are not required to contribute to universal service (or file Form 499-Q) if their annual contributions to universal service would be less than \$10,000. For universal service purposes, any underlying service providers treat *de minimis* firms as end users.
- 9 The detailed definitions of the filer categories are contained in section IIIA of the *Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A* available at www.fcc.gov/Forms/Form499-A/499a.pdf.

- Incumbent Local Exchange Carrier (ILEC)
- Interexchange Carrier (IXC)
- Local Reseller
- Operator Service Provider (OSP)
- Other Local Service Provider
- Other Mobile Service Provider
- Other Toll Service Provider
- Paging and Messaging Service Provider
- Payphone Provider
- Private Service Provider
- Prepaid Calling Card Provider
- Satellite Service Provider
- Shared-Tenant Service Provider
- Specialized Mobile Radio - Dispatch
- Toll Reseller
- Wireless Data Service Provider

Filers are instructed to report amounts actually billed to customers. This means that filers should report revenues net of discounts, but without making adjustments to reflect uncollectible revenues or international settlement payments or receipts. Most filers should be able to report revenues in this manner using information contained in their corporate books of account. Some service providers, however, have no business or regulatory requirements to record intrastate or international revenues separately from interstate revenues, or to use the detailed revenue categories contained in the worksheets. Many wireless providers therefore use the interim safe harbor percentages to estimate the interstate portion of their revenues."

Form 499-A filings sometimes contain mistakes. Initial examination of the data occasionally reveals carrier types, revenue amounts and/or revenues reported in service categories inconsistent with the known operations of the filer. Some corrections have been made based on supplemental filer information. Nonetheless, disaggregated data are likely to be less accurate than industry totals.

Table 1.1 shows the major components of telecommunications revenues for 2000. This table was created by simply aggregating the revenues in the major classifications designated on **Form 499-A**.

Tables 1.2 and 1.3 provide a **look** at annual industry revenues over time. Generally, Form 499-A revenue data can be tabulated in two distinct ways: by type of service provided and by type of business. Table 1.2 categorizes revenues by type of service and shows, for example, that carriers reported \$62.0 billion in wireless service revenues for 2000. This total includes wireless service revenues from some carriers that are not identified as wireless carriers. In contrast, Table 1.3 shows

10 *See Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A* section III.C.3. available at www.fcc.gov/Forms/Form499-A/499a.pdf

that wireless service providers reported total revenues of \$63.3 billion, including some revenues for fixed local and toll services.

Revenue data shown for 1992 through 1996 were derived from information filed on TRS worksheets. Revenue data for 1997 and 1998 were derived by combining TRS worksheet and Universal Service worksheet data. 1999 revenue data come from Form 499-A, which replaced both the TRS and Universal Service worksheets. Because of reporting changes, data for 1997 through 2000 are not entirely consistent with data for prior years. For example, special access revenues were included with other access revenues prior to 1997 but have been included with local private line services since then. Similarly, through 1996, filers reported as other local and mobile revenues substantial amounts of customer premises equipment, billing and collection, and other types of revenues that are excluded from contributions to universal service. These revenues are now reported **as** non-telecommunications revenues. Both tables contain estimates of non-telecommunications revenues that had been reported in prior years. Based on staff estimates, the 1996 telecommunications revenues reported on TRS Worksheets would have been \$10.5 billion lower if revenues had been reported using current instructions.

Some inconsistencies exist in the 1997 - 2000 period. For example, filers were required in 1997 to include inside wiring maintenance revenues **as** part of local exchange revenues. In 1998, filers were instructed to report these revenues as non-telecommunications service revenues. The local exchange service revenue data in Table 1.2 would show a greater increase from 1997 to 1998 if the same reporting instructions had been used for each year.

Note also that each year, many filers erroneously report substantial amounts of switched toll revenues **as** other long distance revenues. The data are examined and some revenues are reclassified based on staff research. Even so, the other long distance category of Table 1.2 probably continues to contain some switched toll revenues, perhaps significant amounts in some years.

Table 1.4 illustrates how data from the Form 499-A are used to develop the funding base for the USF." **As** noted above, providers **are** considered *de minimis* for USF purposes if their **annual** contribution is expected to be less than \$10,000. Otherwise, only those providers that are not carriers are not required to contribute.

Revenue data for individual filers are not available to the public. However, Tables 1.5 through 1.8 present detailed industry roll-ups by ~~type~~ of revenue and type of filer. Table 1.5 provides a detailed breakout of revenues for each of the Form 499-A revenue categories used to report services provided to other filers for resale. Table 1.6 displays similar detail for each of the revenue categories used to report telecommunications service provided to end users. Table 1.7 combines data from Tables 1.5 and 1.6 ~~with~~ data on non-telecommunications revenues to develop total industry revenues.

11 *See Telecommunications Industry Revenues 2000* for a comparison with the funding bases used for TRS, NANP, and LNP.

Table 1.8 provides more aggregated revenue information by type of filers. The revenue categories presented in Tables 1.5 through 1.7 are explained in the Form 499-A filing instructions.

Table 1.9 presents data from quarterly filings of FCC Form 499-Q for 2001. Each page of this table displays one quarter of data in a manner analogous to Table 1.8. FCC Form 499-Q is far less detailed than Form 499-A. Since Form 499-Q filings do not include a business type, filers were categorized based on the business type selected on their Form 499-A filings. The quarterly form asks filers to identify revenues as carrier's carrier, contribution base end-user, or non-telecommunications and to indicate the interstate and international shares of each category. Unlike Form 499-A, the quarterly form does not require filers to attach revenues to the provision of specific types of services. Also, international-to-international revenues are included with non-telecommunications revenues rather than with end-user revenues. For presentation purposes, individual filer revenues were allocated between fixed local, mobile, and toll using the more detailed information collected on the 2000 Form 499-A.

The universal service rules prohibit the fund administrator from releasing company-specific information contained in Form 499-A and Form 499-Q worksheets.¹² Revenue data for individual filers are not available to the public.

Program Requirements and Contribution Factors

Carriers make payments into the universal service mechanism based on their interstate end-user revenues. Carriers report their revenue data to the Universal Service Administrator, which tabulates the data, and reports it to the Commission. The Commission reviews program requirements and revenue data, and then determines the appropriate contribution factor. The Commission's Wireline Competition Bureau (formerly known as the Common Carrier Bureau) then releases a public notice stating the proposed contribution factor for the upcoming quarter. If, after 14 days, the Commission takes no action regarding the proposed contribution factor, the factor becomes final.

On March 9, 2001, the Commission adopted a plan that modified the methodology used to determine payments that carriers make to the federal universal support mechanisms.¹³ The revised methodology requires carriers to file revenue information quarterly rather than ~~semiannually~~.¹⁴ The

12 47 C.F.R. §54.711(b).

13 *See Federal-State Joint Board on Universal Service, Petition for Reconsideration filed by AT&T*, CC Docket No. 96-45, Report and Order and Order on Reconsideration, 16 FCC Rcd 5748 (2001).

14 Before the change, carriers filed revenue information twice a year. Carriers filed first half-year revenues on September 1, and then filed whole-year revenues the following April 2. The first half-year revenues were used to determine the contribution factor for the first two quarters of the following year. The second half-year revenues (which equaled whole-year revenues minus

Commission sets the contribution factors based on the quarterly revenue information. Contribution factors are based on revenue information from the quarter that was half a year prior to the upcoming quarter. Accordingly, the interval between the accrual of revenues and assessment of contributions based on those revenues is approximately 6 months.” Prior to the adoption of the revised methodology, contributions were based on revenues from the prior year, resulting in an average interval of one year. Thus, the new methodology cut in half the interval between accrual of revenues and assessment of contributions based on those revenues. In addition to the quarterly revenue filings, carriers also file whole-year revenue information on April 1 of each year. This filing is used as an **annual true-up**.¹⁶

In order to accommodate the change in methodology, carriers were directed to file their calendar year 2000 revenue information as scheduled on April 2, 2001, and were then required to file their first quarter 2001 revenue information on May 11, 2001. Based on that information, the Commission set the contribution factor for the third quarter of 2001. In general, revenue data for the first through fourth quarters of each year are due the following May 1, August 1, November 1, and February 1, respectively.

Table 1.10 shows the program funding requirements for 2001 and the first half of 2002. For each program and for each quarter, the table lists projected program demand, administrative costs, interest income, and periodic true-ups. The table also shows the revenue base and contribution factors for each quarter. The Commission reduces the amounts in the contribution bases by 1% to reflect the fact that some contribution assessments may prove uncollectible. As mentioned above, the first two contribution factors in 2001 were based on revenues from the first half of the year 2000, but subsequent contribution factors are based on revenues filed two quarters prior.

Table 1.11 shows universal service disbursements on a mechanism-by-mechanism basis for 2001.¹⁷ The schools and libraries mechanism and the rural health care mechanism operate on a school year basis rather than a calendar year basis, so for the purposes of Table 1.11, Funding Year 2000 (July 1, 2000 through June 30, 2001), disbursements were used for these two mechanisms. For these two mechanisms, the bulk of Funding Year 2000 disbursements were made in calendar year 2001. Chart 1.1 shows the same information graphically.

the first half-year revenues) were used to determine the contribution factor for the last two quarters of the following year.

- 15 For example, the second quarter revenues will be used to calculate the fourth quarter contribution factor, and so on.
- 16 True-ups enable carriers to correct their revenue filings, if necessary.
- 17 Figures in Table 1.11 are lower than those in Table 1.10 due to the difference between projected demand and actual disbursements.

Table 1.12 shows, on a state-by-state basis, the total amount of funding disbursements for each of the universal service mechanisms, estimated contributions towards universal service, and the net estimated dollar flow (disbursements less estimated contributions).¹⁸ This table represents an aggregation of the information in Tables 2.13, 3.19, 4.4b, and 5.3b.

Technical Appendix

Carrier revenue information is not reported on a state-by-state basis. Therefore, it is necessary to estimate revenues per state in order to derive contributions made per state.

The nationwide sum of contributions to support universal service is equal to the payments made from USAC to carriers for universal service mechanisms plus administration costs. Contributions on a per-state basis are computed by multiplying nationwide contributions by the ratio of interstate end-user revenues in each state to nationwide interstate end-user revenues. Estimates of interstate end-user revenues for 2000 by state are reported in Table 1.13. Each state's share of interstate end user revenues is reported in Table 1.12.¹⁹

The remainder of this appendix provides a detailed description on how revenues are allocated to the states. Tables 1.5 and 1.6 present nationwide data on telecommunications revenues derived from information filed on Form 499-A Telecommunications Reporting Worksheets. Nationwide (cumulative) telecommunications revenues from these tables are divided into categories. These categories are incumbent local exchange carriers' (ILECs) local exchange service revenues, CLEC revenues, subscriber line charge revenues, access revenues, mobile wireless revenues and toll revenues.²⁰ Table 1.14 presents telecommunication revenues for each of these categories at the nationwide level.

As set forth below, once the revenues are divided into categories, we use data from several sources to estimate each state's telecommunications revenues. Data from the *Statistics of Communications Common Carriers* are used to estimate on a state-by-state basis incumbent local exchange carriers' (ILECs) local exchange service revenues, access revenues, and toll revenues.²¹

18 For a discussion of the methodology used to estimate contributions per state, see the Technical Appendix below and Table 1.13.

19 State's share of interstate end-user revenues are reported under the heading percent of total estimated contributions.

20 The notes in Table 1.14 discuss how revenues from Tables 1.5 and 1.6 are assigned to categories in Table 1.14.

21 Revenues for Alaska, Guam, the Northern Mariana Islands, and the Virgin Islands are not estimated using data from the *Statistics of Communications Common Carriers* because

Data from tariff access filings with the FCC are used to estimate subscriber line charge (SLC) revenues. CLEC revenues and mobile wireless revenues are estimated on a state-by-state basis using data from FCC Form 477.

Table 1.15 shows intrastate carrier's carrier, end-user and total telecommunication revenues by category for ILECs' local exchange service, CLECs, wireless, access, ILEC toll, and non-ILEC toll.²² Components of interstate carrier's carrier, end-user and total telecommunications revenues are presented in Table 1.16. These components include ILECs, CLECs, wireless, SLCs, access, and toll.²³

Data from the most recent *Statistics of Communications Common Carriers* are adjusted prior to allocating nationwide revenues to the states. Data compiled in the *Statistics of Communications Common Carriers* include those incumbent local exchange carriers (ILECs) with annual operating revenues over \$14 million for year-end 1999. The *Statistics of Communications Common Carriers* revenue data represent approximately 93 percent of the local telephone industry based on USF loops. Here, data from the *Statistics of Communications Common Carriers* are expanded to include the entire ILEC industry based on USF loops. Column 1 of Table 1.17 shows USF loops at year-end 2000. Column 2 shows the percent of the ILEC industry that is included in the tables in the *Statistics of Communications Common Carriers*. It is the average for year-end 1999 and 2000 data.²⁴ The adjustment formula in Column 3 is $(100/\text{Column 2})$.

In Table 1.18, ILECs' local exchange revenues are allocated based on local exchange service and miscellaneous revenues from Table 2.13 of the latest *Statistics of Communications Common Carriers*. Local exchange revenues for allocation are the product of reported ILECs' local exchange service and miscellaneous revenues and the adjustment formula in Table 1.17. Allocation percentages in each state are the ratio of the state's allocation revenues to nationwide revenues. Local exchange revenues by type are determined by multiplying the allocation factor by the type of

these jurisdictions have no telephone companies subject to the FCC's Automated Reporting Management Information System (ARMIS) 43-01 and 43-08 reporting requirements.

- 22 Estimated intrastate telephone revenues for Alaska, Guam, the Northern Mariana Islands, and the Virgin Islands are determined by multiplying the nationwide average intrastate telephone revenues per loop by number of loops in the jurisdiction.
- 23 Estimated interstate telephone revenues for Alaska, Guam, the Northern Mariana Islands, and the Virgin Islands are determined by multiplying the nationwide average interstate telephone revenues per access minute by number of access minutes in the jurisdiction.
- 24 See Table 5.1 of the Industry Analysis Division, Common Carrier Bureau, *Statistics of Communications Common Carriers, 2000/2001 Edition*, for year-end 1999 data.

revenues. (See Table 1.14).

In Table 1.19, we allocate interstate and intrastate CLEC revenues on a state-by-state basis by multiplying national revenues (See Table 1.14) by an allocation percentage. For those states with publicly available data on CLEC lines, the allocation percentage is determined by dividing the number of CLEC lines as reported in FCC Form 477 by nationwide CLEC lines.²⁵ It is more difficult to determine the allocation percentage for states for which CLEC line counts are withheld to protect firm confidentiality. For these states, the allocation percentage is the product of the following two percentages: 1) the percentage of nationwide CLEC lines that are in states in which CLEC line totals are not reported, and 2) the ratio of personal income in the state as compared to personal income in all states in which CLEC lines are not reported. Data on personal income is from the 2000 *Statistical Abstract of the United States*.²⁶

In Table 1.20, we allocate interstate and intrastate mobile wireless revenues on a state-by-state basis by multiplying national revenues (See Table 1.14) by an allocation percentage. For those states with publicly available data on mobile wireless subscribers, the allocation percentage is determined by dividing the number of wireless subscribers as reported FCC Form 477 by nationwide wireless subscribers. It is more difficult to determine the allocation percentage for states for which wireless subscriber counts are withheld to protect firm confidentiality. For these states, the allocation percentage is the product of the following two percentages: 1) the percentage of nationwide wireless subscribers that are in states in which wireless subscriber totals are not reported, and 2) the ratio of personal income in the state as compared to personal income in all states in which wireless subscribers are not reported. Data on personal income is from the 2000 *Statistical Abstract of the United States*.²⁷

SLC revenues are allocated by state in Table 1.21. The sum of residential non-lifeline lines (including both primary and non-primary lines) and single-line business lines are estimated by multiplying residential non-lifeline lines and single-line business lines from Table 2.19 of the latest *Statistics of Communications Common Carriers* by the adjustment factor from Table 1.17. Column 1 shows primary residential lines and single-line business lines which is the difference between total residential and single-line business lines, and non-primary lines. Non-primary residential lines are estimated by multiplying the percentage of non-primary lines by the sum of residential non-

25 See www.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/IAD/CLEC_Aggregate_June_2001.xls.

26 See Tables 726 and 1339 of the Bureau of the Census's, *Statistical Abstract of the United States: 2000*.

27 See Table 10 of Wireline Competition Bureau, Industry Analysis Technology Division's, *Local Telephone Competition: Status as of December 31, 2001*, and Table 726 of the Bureau of the Census's, *Statistical Abstract of the United States: 2000*.

lifeline lines and single-line business lines reported in Table 2.19 of the *Statistics & Communications Common Carriers*.²⁸ Multiline business lines (Column 3) are estimated for the industry by multiplying the number of lines in Table 2.19 of the *Statistics & Communications Common Carriers* by the adjustment factor in Table 1.17.

Primary residential and single-line business lines SLC rates per month, shown in Column 4 are the weighted average of rates filed in the Tariff Review Plan (TRF) for price-cap carriers from the January 2000 and June 2000 filings and from NECA pool and rate-of-return carriers.²⁹ Non-primary SLC revenues per line per month for price-cap companies, shown in Column 5, are the weighted average of rates filed in the TRPs from the January of 2000 and July of 2000 filings. Multiline business SLC rates per line **per** month in each state, shown in Column 6, are estimated based **on** the rates in the January 2000 and July 2000 TRP filings for price-cap companies and from NECA pool and rate-of-return carriers?"

Revenues used for allocating SLC revenues by state are determined by the following formula: $12 * [\text{primary residential and single-line business SLC per line per month} * (\text{primary residential lines and single-line business lines}) + \text{multiline business SLC per line per month} * (\text{multiline business lines}) + \text{non-primary lines} * \text{non-primary SLC per line per month}]$. Allocation percentage in each state is the ratio of the state's allocation revenues to nationwide revenues. SLC revenues are determined by multiplying the allocation factor by the type of revenues. (See Table 1.14.)

In Table 1.22, interstate access revenues and private line revenues are allocated on a state-by-state basis based on net access revenues. Gross access revenues for allocation are the product of interstate access revenues from Table 2.13 of the latest *Statistics & Communications Common Carriers* and the adjustment formula presented in Table 1.17. Revenues for allocation are the difference between gross access revenues for allocation and subscriber line charge revenues. Allocation percentages in each state are the ratio of the state's allocation revenues to nationwide

28 Carriers that are not subject to price-cap regulation charge the same rate for a customer's first line as they do for additional lines. Staff estimated the percentage of non-lifeline residential and single-line business lines that are charged the non-primary access rates based on data that the Commission receives from access filings from price-cap carriers. Our estimates of non-primary lines are computed using data from the Tariff Review Plan (TRF). Thus, our estimates assume that the percent of BellSouth's non-primary lines are the same in each of its states.

29 Carrier USF loop counts are used as weights. We assume that the residential SLC for NECA pool and rate of return carriers is \$3.50.

30 The rates of NECA pool carriers and rate-of-return carriers are assumed to be \$6.00 per month per line.

revenues. Access revenues by type are determined by multiplying the allocation factors by the type of revenues. (See Table 1.14.)

In Table 1.23, intrastate access revenues are allocated between states based on intrastate access revenues from Table 2.13 of the latest *Statistics of Communications Common Carriers*. Intrastate access revenues for allocation are the product of these access revenues and the adjustment formula in Table 1.17. Allocation percentage in each state is the ratio of the state's allocation revenues to nationwide revenues. Access revenues by type are determined by multiplying the allocation factor by the **type** of revenues. (See Table 1.14.)

Table 1.24 shows ILEC toll revenues of large ILECs reported in Table 2.13 of the *Statistics of Communications Common Carriers*, and ILEC intrastate toll revenues." ILEC intrastate toll revenues are the product of ILEC reported revenues and the adjustment formula in Table 1.17.

Table 1.25 shows how non-LECs' intrastate toll revenues are allocated between states based on intrastate access minutes and intrastate access revenues.³² Non-LEC toll is the difference between intrastate toll revenues and LEC toll revenues.³³ Intrastate toll revenues are reported in Table 1.14, and LEC toll revenues are reported in Table 1.24. Column 1 shows access minutes for allocation. Access minutes for allocation are the product of intrastate-interLATA access minutes from Table 2.5 of the latest *Statistics of Communications Common Carriers* and the adjustment formula in Table 1.17. Column 2 shows each state's percentage of intrastate access minutes. Column 3 shows each state's percentage of intrastate access revenues.³⁴ The allocation percentages for non-LECs' intrastate toll revenues, presented in Column 4, are $(75\% * \text{Column 2}) + (25\% * \text{Column 3})$. Intrastate toll revenues by type presented in Columns 5 and 6 are determined by multiplying the allocation percentage by the type of revenues.

In Table 1.26, interstate toll revenues are allocated on a per state basis by interstate access minutes. Access minutes for allocation are the product of interstate-interLATA access minutes from Table 2.5 of the latest *Statistics of Communications Common Carriers* and the adjustment formula in Table 1.17. The allocation percentages are each state's percentage of interstate access minutes. Interstate toll revenues by type presented are determined by multiplying the allocation percentage by the type of revenues. (See Table 1.14.)

31 ILECs' toll revenues are assumed to be intrastate revenues.

32 Intrastate access revenues are a proxy for intrastate toll rates.

33 We assume that all LEC toll revenues are end-user revenues

34 Intrastate access revenues are reported in Table 1.23. Non-LEC toll is the difference between intrastate toll revenues and LEC toll. LEC toll is assumed to be end-user toll. Intrastate toll revenues are reported in Table 1.14 and LEC toll in Table 1.24.

	Carrier's Carrier Revenues 2/	End-User Revenues 1/ 2/	Total
Local Service 3/ Wireless Service Toll Service	\$36,621 5,144 21,849	\$84,526 56,857 87,767	\$121,147 62,000 109,615
Total	63,613	229,149	292,762
Service Revenues Reported as: Intrastate Interstate and International4/	25,553 38,060	147,465 81,685	173,018 119,745
Total	\$63,613	\$229,149	\$292,762

- 1/ Data include revenues for de minimis filers as well as for other filers who are exempt from universal service contribution requirements.
- 2/ Carrier's carrier revenues are reported on FCC Form 499-A as sales to other universal service contributors for resale. This includes, for example, access services that local exchange carriers provide to toll carriers. Sales to de minimis resellers, end-user customers, governments, non-profits and any other non-contributors are treated as revenues. Filers contribute to the universal service funding mechanisms based on their end-user revenues.
- 3/ Payphone revenues are included with local service revenues in this table. Tables 1.5 through 1.8 show detail for payphone providers and payphone services.
- 4/ Revenues from calls that both originate and terminate in foreign points are reported as end-user revenues, but are not included in the universal service contribution base. Tables 1.5 through 1.8 show breakouts between interstate and international revenues based on Form 499-A filings. Section 43.61 international traffic data reports appear to provide more reliable data for international revenues but do not provide the type of breakouts found herein.

Source: Industry Analysis Division, Common Carrier Bureau, Telecommunications Industry Revenues (January 2002).

Table 1.2
Telecommunications Industry Revenues by Service
(Dollar Amounts Shown in Millions)

	TRS Data					Universal Service & TRS Data		Form 499-A Data	
	1992	1993	1994	1995	1996	1997	1998	1999	2000
Local Exchange	\$39,235	\$40,176	\$42,245	\$45,194	\$48,717	553,771	\$59,245	\$62,840	\$667,747
Pay Telephone 1/						2,182	2,536	2,218	1,932
Local Private Line 2/	1,049	1,088	1,138	1,226	1,616	8,282	10,403	12,914	16,864
Other Local 3/	7,687	8,002	8,302	10,428	10,543	2,847	2,179	4,601	5,449
Subscriber Line Charges 2/						8,327	11,052	10,826	11,563
Access 2/	29,353	30,832	32,759	33,911	35,641	21,423	18,449	18,105	17,017
Universal Service Surcharges on Local Service Bills 4/							103	260	575
Additional Revenues from TRS Worksheets						595	595		
Total Local Service	77,324	80,098	84,443	90,759	96,516	97,426	104,563	111,764	121,147
Wireless Service	7,285	10,237	14,293	18,759	26,049	32,760	36,240	48,117	61,505
Universal Service Surcharges on Wireless Service Bills 4/							345	379	495
Additional Revenues from TRS Worksheets						189	189		
Total Wireless Service	7,285	10,237	14,293	18,759	26,049	32,950	36,775	48,495	62,000
Operator 1/	9,465	10,772	10,539	11,170	10,975	12,002	12,205	10,049	11,406
Non-Operator Switched Toll	54,448	60,591	61,468	65,217	73,751	72,059	74,168	78,389	75,183
Long Distance Private Line	7,783	8,067	9,043	9,719	10,665	10,504	11,952	13,169	16,189
Other Long Distance	4,048	3,095	3,428	3,523	4,299	4,695	3,386	3,656	3,372
Universal Service Surcharges on Toll Service Bills 4/							1,810	2,983	3,467
Additional Revenues from TRS Worksheets						1,532	1,532		
Total Toll Service	75,744	82,525	84,478	89,629	99,691	100,793	105,055	108,246	1109,615
Non-Telecommunications Formerly Reported as Other Local and Wireless 3/	(6,944)	(7,518)	(8,324)	(9,071)	(10,474)				
Total Telecommunications 3/	153,409	165,342	174,890	190,076	211,782	223,168	246,392	268,505	292,762
Non-Telecommunications 3/	6,944	7,518	8,324	9,071	10,474	25,633	27,944	33,144	42,261
Total Reported Revenues	160,353	172,860	183,214	199,147	222,256	256,801	272,019	301,648	3135,023
Service Reported as:									
Intrastate 3/	82,379	89,409	94,278	103,852	117,375	133,654	142,108	157,212	173,018
Interstate and International	71,030	75,933	80,611	86,224	94,407	97,514	104,284	111,293	119,745
Total Telecommunications 3/	\$153,409	\$165,342	\$174,890	\$190,076	\$211,782	\$231,168	\$246,392	\$268,505	\$292,762

See notes on next page.

Notes for Table 1.2.

Note: Detail may not add to totals due to rounding.

- 1/ TRS filers Generally reported pay telephone revenues as local service revenues, access revenues or operator toll revenues. The Universal Service and Form 499-A worksheets contain a separate category for payphone coin revenues. Starting in 1997, payphone revenues include payphone compensation received from toll carriers.
- 2/ TRS Worksheet filers generally reported special access revenues as access revenues. Reporting changes implemented with the Universal Service Worksheet explain the increase in local private line revenues and the fall in access revenues shown for 1997. TRS Worksheet filers included subscriber line charges with other access charges. Universal Service Worksheet filers report subscriber line charges in a separate category. The increase from 1997 to 1998 represents PICC charges levied by ILECs as well as \$1.2 billion of PICC pass-through charges levied by toll carriers.
- 3/ Significant amounts of enhanced services, billing and collection, CPE and other non-telecommunications revenues were reported in the TRS mobile and other local service categories through 1996. Universal Service Worksheet filers report these revenues in the non-telecommunications category. For prior years, the amounts of non-telecommunications revenues reported as mobile and other local revenues were estimated as 70% of the amounts that Tier 1 ILECs reported in ARMIS as miscellaneous and nonregulated revenues (currently account 5200 + account 5280) and 10% of amounts reported as mobile service revenue.
- 4/ Charges on end-user bills identified as recovering state or federal universal service contributions are reported separately from local, wireless and toll revenues. Reported amounts are apportioned between local, wireless and toll service based on the proportions of local, wireless and toll intrastate and interstate revenues by type of carrier.

Source: Industry Analysis Division, Common Carrier Bureau, Telecommunications Industry Revenues (January 2002).

Data for 1992 through 1996 summarized from FCC Form 431 TRS Worksheets. Data for 1997 and 1998 primarily based on FCC Form 457 Universal Service Worksheets, with data from 1997 TRS Worksheets used for service providers not required to file a Universal Service Worksheet. Starting in 1999, data summarized from FCC Form 499-A Telecommunications Reporting Worksheets, which replaced both FCC Form 431 and FCC Form 457.

Table 1.3
Telecommunications Revenues Reported by Type of Carrier
(Dollar Amounts Shown in Millions)

	TRS Worksheet Data					& T	Data	Data	
Service Provider Category 1/	1992	1993	1994	1995	1996	1997	1998	1999	2000
Incumbent Local Exchange Carriers 2/	\$91,584	\$95,228	\$98,431	\$102,820	\$107,905	\$105,154	108,234	\$112,216	\$116,158
Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs)	69	191	281	623	1,011	1,919	3,348	5,652	9,814
Local Resellers						206	410	511	879
Other Local Exchange Carriers						157	36	171	11
Private Carriers						112	147	87	39
Shared-Tenant Service Providers						87	93	87	202
Competitors of ILECs	69	191	281	623	1,011	2,481	4,034	6,508	10,945
Fixed Local Service Providers	91,835	95,595	99,011	103,792	109,273	107,634	112,268	118,725	127,103
Payphone Providers	183	175	300	349	357	933	1,101	1,213	972
Wireless Telephony Including Cellular, Personal Communications Service (PCS) and SMR Telephony Carriers 2/	6,718	9,215	13,259	17,208	23,778	29,944	33,139	46,513	59,823
Paging & Messaging Service 2/						2,861	3,161	3,232	3,102
Specialized Mobile Radio (SMR) Dispatch								186	191
Wireless Data Service Providers								63	36
Other Mobile Service Providers	670	964	938	1,419	2,121	225	731	159	128
Wireless Service Providers	7,387	10,179	14,197	18,627	25,900	33,030	37,032	50,152	63,280
Interexchange Carriers (IXCs)	57,341	61,118	66,381	70,938	79,057	79,080	83,443	87,570	87,311
Operator Service Providers (OSPs)	558	695	536	500	461	603	590	337	635
Prepaid Calling Card Providers				16	238	519	888	866	727
Satellite Service Providers						1,011	475	280	336
Toll Resellers	1,293	1,869	2,840	4,220	6,564	8,010	9,885	9,211	10,641
Other Toll Carriers	2,186	711	709	773	577	348	710	150	1,758
Toll Service Providers	61,378	64,393	70,466	76,447	86,896	89,570	95,992	98,414	101,407
Non-Telecommunications Revenues in Prior Year Data 2/	(6,944)	(7,518)	(8,324)	(9,071)	(10,474)				
Other Adjustments 3/	(248)	2,693	(461)	280	187	0	0	0	0
Total Telecommunications Revenues	\$153,409	165,342	\$174,890	190,076	211,782	\$231,168	246,392	\$268,505	\$292,762

1/ Filers are asked to select for themselves a service provider category that best describes their operations. The choices have changed over the years. For example, most satellite service providers identified themselves as other toll carriers in their 1997 Form 431 TRS worksheets because there was no separate category for satellite service providers.

2/ Significant amounts of enhanced service, billing and collection, CPE and other non-telecommunications revenues were reported on TRS worksheets by incumbent local exchange carriers (ILECs) and wireless carriers through 1996. Universal Service Worksheet filers report these revenues in the non-telecommunications category. For prior years, the amounts of non-telecommunications revenues reported as mobile and other local revenues were estimated as 70% of the amounts that Tier 1 ILECs reported in ARMIS as miscellaneous and nonregulated revenues (currently account 5200 + account 5280) and 10% of amounts reported as mobile Service revenues.

3/ Other adjustments include some amounts withheld to preserve confidentiality and revisions made after the initial publication of the data.

Source: Industry Analysis Division, Common Carrier Bureau. Telecommunications Industry Revenues (January 2002).

Table 1.4
Contribution Base Revenues By Program 1/: 2000
(Dollar Amounts Shown in Millions)

		2000
Revenues subject to universal service contribution		
	Interstate and international end-user revenues	\$81,685
less	revenue for international - to - international service	1,087
less	international revenues excluded where interstate toll represents less than 8% combined interstate and international revenues	1,011
less	interstate and international revenues for 2,570 filers who are de <i>minimis</i> or otherwise exempt from universal service support requirements	609
		— —
	equals	78,977

1/ Amounts shown represent the amounts contained in the Form 499-A database at a point in time. The universal service administrator continues to receive additional and corrected filings. Exempt amounts were based on the filer certification statement contained in the Form 499-A filings. The fund administrator uses carrier type, revenue type and from filers to review exemption claims (and in some instances, failure to make claims.) The universal service fund administrator bills delinquent filers based on estimated revenues and therefore can include estimated revenue amounts in contribution base amounts. As a result of these factors, actual contribution bases have been based on slightly different amounts than those shown. Note also that universal service contribution factors are set quarterly based on Form 499-Q filings. Form 499-A data are used for true-up and auditing purposes.

Source: Industry Analysis Division, Common Carrier Bureau, *Telecommunications Industry Revenues* (January 2002)

Table 1.5
Revenues from Telecommunications Service Provided for Resale 1/: 2000
(Dollar Amounts Shown in Millions)

Data from FCC Form 499-A		Regional Bell Operating Company Incumbent Local Exchange Carriers			Other Incumbent Local Exchange Carriers				
Line		Intrastate	Interstate	International	Total	Intrastate	Interstate	International	Total
<u>Fixed local service</u>									
303	Monthly service, local calling, connection charges, vertical features, and other local exchange service including subscriber line and PICC charges to IXCs								
a	Provided as unbundled network elements	\$1,191	\$4		\$1.195	\$32	\$8	\$1	\$40
b	Provided under other arrangements	1,986	1,439		3,425	154	155		309
	Total line 303	3,177	1,443		4,620	185	163	1	349
304	Per-minute charges for originating or terminating calls								
a	Provided under state or federal access tariff	3,690	3,416		7,106	2,518	1,788	6	4,312
b	Provided as unbundled network elements or other contract arrangement	1,707	2,328		4,034	89	88		177
	Total line 304	5,396	5,744		11,140	2,607	1,876	7	4,490
305	Local private line & special access	543	6,894		7,437	204	598		802
106	Payphone compensation from toll carriers	141	115		256	9	19		28
107	Other local telecommunications service revenues	830	184		1,014	48	12		60
308	Universal service support revenue received from federal or state sources	265	621		887	456	990		1,446
Total fixed local service provided for resale		10,352	15,001		25,352	3,510	3,657	8	7,175
<u>Mobile service (including wireless telephony, paging & messaging, and other mobile services)</u>									
309	Monthly, activation, and message charges except toll					2			3
Total mobile service provided for resale		*			*	2			3
110	Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.)					1			1
111	Ordinary long distance (MTS, customer toll-free 800/888/877/866 service, "10-10 calls", associated monthly account maintenance, PICC pass-through, and other switched services not reported above)	65	1		66	12	4		16
112	Long distance private line services	24			24	7	2		10
113	Satellite services								
114	All other long distance services	15	3		18	22	2		23
Total toll service provided for resale		103	4		107	42	8		50
Total service provided for resale (carrier's carrier)		10,455	15,004		25,459	3,554	3,665	8	7,227

note: Amounts may not add to totals due to rounding.

* Denotes values greater than 50 but less than 5500000.

1/ Includes service provided to other contributors to federal universal service support mechanisms. Excludes service provided to firms that are de minimis or otherwise exempt from federal universal service support mechanisms.

Source: Industry Analysis Division, Common Carrier Bureau. Telecommunications Industry Revenues (January 2002).

Table 1.5
Revenues from Telecommunications Service Provided for Resale 1/: 2000
Continued

(Dollar Amounts Shown in Millions)

Data from FCC Form 499-A Line	CLECS and Other Fixed Local Competitors				Payphone Providers			
	Intrastate	Interstate	International	Total	Intrastate	Interstate	International	Total
<u>Fixed local service</u>								
303 Monthly service, local calling, connection charges, vertical features, and other local exchange service including subscriber line and PICC charges to IXC's								
a Provided as unbundled network elements	\$40	\$7	*	\$47				
b Provided under other arrangements	353	183	*	535				
Total line 303	392	189	*	582				
304 Per-minute charges for originating or terminating calls								
a Provided under State or federal access tariff	461	345	7	813	*	*	*	*
b Provided as unbundled network elements or other contract arrangement	331	24	1	356	*	*		*
Total line 304	792	369	8	1169				*
305 Local private line & special access	802	486		1,289	3			3
306 Payphone compensation from toll carriers	8	8		16	153	103	2	258
307 Other local telecommunications service revenues	35	75		110	10	3	1	13
308 Universal service support revenue received from federal or state sources	2	3		5	1			2
Total fixed local service provided for resale	2,031	1,131	9	3,170	167	106	2	276
<u>Mobile service (including messaging and other mobile services)</u>								
309 Monthly, activation, and message charges except toll	1			1				
Total mobile service provided for resale	1			1				
<u>Toll service</u>								
310 Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.)	1	1		2	1	*	*	1
311 Ordinary long distance (MTS, customer toll-free 800/888/877/866 service, "10-10 calls", associated monthly account maintenance, PICC pass-through, and other switched services not reported above)	46	53	51	151	1	*		1
312 Long distance private line Services	72	414	65	551				
313 Satellite services								
314 All other long distance services	18	21		39	*	*	*	*
Total toll service provided for resale	137	489	116	743	2			2
Total service provided for resale (carrier's carrier)	\$2,169	\$1,620	\$125	\$3,913	\$169	\$107	\$2	\$278

Note: Amounts may not add to totals due to rounding.

* Denotes values greater than \$0 but less than \$500,000.

1/ Includes service provided to other contributors to federal universal service support mechanisms. Excludes service provided to firms that are *de minimis* or otherwise exempt from federal universal service support mechanisms.

Source: Industry Analysis Division, Common Carrier Bureau, Telecommunications Industry Revenues (January 2002).

Table 1.5
Revenues from Telecommunications Service Provided for Resale 1/: 2000

Continued
(Dollar amounts shown in Millions)

Data from FCC Form 499-A		Cellular, PCS and SMR Wireless Telephony			Other Wireless				
Line		Intrastate	Interstate	International	Total	Intrastate	Interstate	International	Total
<u>Fixed local service</u>									
303	Monthly service, local calling, connection charges, vertical features, and other local exchange service including subscriber line and PICC charges to IXCs								
a	Provided as unbundled network elements	\$8	\$1		\$9				
b	Provided under other arrangements					1			1
Total line 303		8	1	*	9	1			1
304	Per-minute charges for originating or terminating calls								
a	Provided under state or federal access tariff	1			1				
b	Provided as unbundled network elements or other contract arrangement	48	4		52	3			
Total line 304		49	4		53	3			3
305	Local private line & special access	7			7				
306	Payphone compensation from toll carriers	2			2				*
307	Other local telecommunications service revenues	1	1		2				*
308	Universal service support revenue received from federal or state sources								1
Total fixed local service provided for resale		66	6		72	5	1		6
<u>Mobile service (including wireless telephony, paging & messaging, and other mobile services)</u>									
309	Monthly, activation, and message charges except toll	3,985	512	7	4,504	481	109		590
Total mobile service provided for resale		3,985	512	7	4,504	481	109		590
<u>Toll service</u>									
310	Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.)	2	1		3				*
311	Ordinary long distance (MTS, customer toll-free 800/888/877/866 Service, "10-10 calls", associated monthly account maintenance, PICC pass-through, and other Switched services not reported above)	450	171	5	626	2			2
312	Long distance private line services	1	2		3	*	*		*
313	Satellite services								
314	All other long distance services	28	17		44				
Total toll service provided for resale		481	190	5	676	2			2
Total service provided for resale (carrier's carrier)		\$4,532	\$708	\$12	\$5,252	\$488	\$110		\$598

Note: Amounts may not add to totals due to rounding.

* Denotes values greater than \$0 but less than \$500,000.

11 Includes service provided to other contributors to federal universal service support mechanisms. Excludes service provided to firms that are *de minimis* or otherwise exempt from federal universal service support mechanisms.

Source: Industry Analysis Division, Common Carrier Bureau, Telecommunications Industry Revenues (January 2002)

Table 1.5
Revenues from Telecommunications Service Provided for Resale 1/; 2000

Continued
(Dollar amounts shown in millions)

Data from FCC Form 499-A		Toll Carriers				Total All Filers			
Line		Intrastate	Interstate	International	Total	Intrastate	Interstate	International	Total
<u>Fixed local service</u>									
303	Monthly service, local calling, connection charges, vertical features, and other local exchange service including subscriber line and PICC charges to IXCs								
a	Provided as unbundled network elements	\$15	\$2		\$17	\$1,285	\$22	\$1	\$1,307
b	Provided under other arrangements	164.6	8		172.6	2,658	178.41		4,442
Total line 303		180	10		190	3,943	1,806	1	5,749
304	Per-minute charges for originating or terminating calls								
a	Provided under state or federal access tariff	39	27	*	66	6,709	5,577	13	12,295
b	Provided as unbundled network elements or other contract arrangement	76	19	2	96	2,254	2,462	3	4,715
Total line 304		115	46	2	163	8,963	8,039	16	17,017
305	Local private line & special access	55	52	*	107	1,615	8,030		9,645
306	Payphone compensation from toll carriers	6	67	1	74	318	312	2	633
307	Other local telecommunications service revenues	30	7	1	38	954	282	2	1,237
308	Universal service support revenue received from federal or state sources					724	1,615		2,339
Total fixed local service provided for resale		386	182	3	571	16,517	20,083	22	36,621
<u>Mobile service (including wireless telephony, paging & messaging, and other mobile services)</u>									
309	Monthly, activation, and message charges except toll	40	7		47	4,508	629	7	5,144
Total mobile service provided for resale		40	7		47	4,508	629	7	5,144
<u>Toll service</u>									
310	Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.)	50	219	394	662	54	221	394	669
311	Ordinary long distance (MTS, customer toll-free 800/888/877/866 service, "10-10 calls", associated monthly account maintenance, PICC pass-through, and other switched services not reported above)	2,426	5,000	6,486	13,912	3,003	5,230	6,542	14,775
312	Long distance private line Services	1,188	3,719	334	5,242	1,292	4,137	399	5,828
313	Satellite services	2	54	10	66	2	54	10	66
314	All other long distance services	95	186	106	386	177	227	106	510
Total toll service provided for resale		3,761	9,178	7,330	20,268	4,529	9,869	7,451	21,849
Total service provided for resale (carrier's carrier)		\$4,187	\$9,366	\$7,333	\$20,886	\$25,553	\$30,580	\$7,480	\$63,613

Note: Amounts may not add to totals due to rounding.

* Denotes values greater than \$0 but less than \$50,000.

1/ Includes service provided to other contributors to federal universal service support mechanisms. Excludes service provided to firms that are de minimis or otherwise exempt from federal universal service support mechanisms.

Source: Industry Analysis Division, Common Carrier Bureau, *Telecommunications* industry Revenues (January 2002).